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CZECHOSLOVAK GOVERNMENT DECREE
ON FINANCIAL AID TO JZDs AND PRIVATE FARMERS

Rude Pravo
Prague, 30 Oct 1953

On 26 October 1953 the Czechoslovak government approved the decrees of the Ministry of Finance and the Ministry of Agriculture for extension of financial aid to the JZDs (Jednotne Zemedelske Društve, Unified Agricultural Cooperatives) and to private farmers.

The financial aid offered by the government consists of lowered interest rates and write-offs on debts of the JZDs, postponement of interest payments, extension of additional credit to JZDs engaged in both crop production and animal husbandry, and extension of both short- and long-term credits to farm operators for various production needs. The following is the text of the decree, which was dated 28 October 1953, and became effective the same day.

Article 1

In order to permit JZDs to expand construction investments additional financial aid will be granted for building cow barns, hog houses, calf barns, poultry houses, and other buildings needed for collective animal husbandry and for expanding and improving herds or building structures needed for crop production of collectives. The financial aid will be granted as follows:

1. The interest rate on all investment credit extended to JZDs after 1 January 1953 is lowered by one half, i.e., from 3 percent to 1.5 percent.
2. Beginning with 1953, a deduction of 5 percent will be made on outstanding loans (investment credit), without regard to amounts repaid on such loans, providing the JZD has fulfilled its production and delivery plans, secured feed and seed funds, made its payments on time, and has utilized such investments for productive purposes. Such write-offs will be authorized up to 50 percent of the proven expenditures.
3. JZDs which combine animal husbandry and crop production will receive 5-percent deductions from the amount outstanding on their noninvestment loans, where such loans were made prior to 1 June 1953, providing the conditions listed in paragraph 2 above are fulfilled. The deductions will be computed on the amount outstanding as of 1 June 1953.

Write-offs mentioned in paragraphs 1 and 2 above will be made on 31 October of each year, after the JZDs have paid their installments, and will continue until the entire loan has been repaid. This provision also applies to those JZDs which have been granted more time to repay their loans.

Article 2

In order to increase agricultural production and the income of the individual JZD members who have a lower return per working unit, the following aid is extended:

1. Repayment of investment and noninvestment long-term loans will be scheduled so that payments will be small at present and grow progressively larger in later years.

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2. Repayment of principle as well as payment of interest will be postponed for each JZD as follows:

- a. For 3 to 8 years on long-term noninvestment loans.
 - b. For 1 to 3 years on investment loans, providing the buildings erected from such funds are put to immediate use.
 - c. For 2 to 3 years for short-term production loans incurred prior to 1 March 1953.
 - d. For one year on all short-term production loans incurred prior to 1 March 1953.
3. No interest will be charged on credit extended during such postponement.
4. JZDs which combine crop production and animal husbandry, and which would be ineligible for additional credit from the Investment Bank, may be granted additional investment credit if such action is recommended by the Kraj National Committee (Kraj Narodni Vybor) and providing such credit is used for building barns (sheds, etc.) needed for an expansion of animal husbandry. Such credits will be granted on the premise that they will aid the individual JZDs in expanding their activity and in improving through the years.

Article 3.

Upon recommendation by the Local National Committees, savings banks may extend credit to individual [private] farmers as follows:

1. Short-term credit for production purposes, such as the following:
 - a. To purchase fertilizers, seeds and plants.
 - b. To pay invoices for STS (State Tractor Station) work.
 - c. To pay wages for seasonal field work.
 - d. To purchase animals for feeding and to purchase feeds.

Short-term credits at 5-percent interest will be extended up to 50 percent of the expected income from sale of crops, if such crops are part of the delivery quota.

2. Long-term credits for:
 - a. Rejuvenation, recultivation, and improvement of the soil.
 - b. Purchase of purebred animals.
 - c. Repairs to either farm buildings or residences.

Long-term credits will be extended from 3 to 5 years, at 4-percent interest, in amounts based on expected income. Long-term credit under these conditions may also be granted to JZD members for repairs to their private buildings.

Credits listed in paragraphs 1 and 2 above will be granted by the State Savings Banks in accordance with directives of the Ministry of Finance.

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Article 4

JZDs which fulfill their production and delivery quotas and other obligations to the state are eligible for direct aid as follows:

1. For buildings and equipment for animal production, up to 30 percent of the amount expended, provided such buildings and equipment are constructed at the expense of the cooperative. The amount of aid granted will be based on the principle: the smaller the cost the greater the aid.
2. For reimbursement of expenses incurred in plowing boundaries according to the economic-technical soil preparation projects. Aid may amount to 100 percent of total expenditures.
3. For constructing communal facilities involving moving the soil, i.e., roads, ravines, slopes, ditches; and the removal of obstacles, etc. In mountainous regions aid may amount to 80 percent [of expenditures], and 25 percent in other regions. Aid up to 50 percent of total expenditures may be granted for recultivation of the soil in connection with the economic-technical project.
4. For water management investments (improvements), up to 100 percent of total expenditures according to the nature of the project.
5. For extraordinary aid, in the event of natural disaster, animal infections, etc.

Aid will be granted by the Kraj National Committees in accordance with directives issued by the Ministry of Agriculture.

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